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REPORT:

NAVACHAB GOLD MINE - TSF 3 ANNEX TO OPERATIONAL ENVIRONMENTAL MANAGEMENT PLAN

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ABBREVIATIONS

| ABBREVIATION | DESCRIPTION |
|--------------|--|
| AMD | acid mine drainage |
| DWA | Department of Water Affairs |
| ECC | Environmental Compliance Consultancy |
| ECO | environmental control officer |
| EIA | environmental impact assessment |
| EMA | Environmental Management Act |
| EMS | environmental management system |
| EPL | Exploration Prospecting Licence |
| ESIA | environmental social impact assessment |
| GHG | greenhouse gas |
| GIS | geographical information system |
| MAWLR | Ministry of Agriculture, Water and Land Reform |
| MEFT | Ministry of Environment, Forestry and Tourism |
| ML | Mining Licence |
| MSDS | Material Safety Data Sheet |
| NHC | National Heritage Council |
| OEMP | operational environmental management plan |
| PCM | pollution control measures |
| POI | point of interest |
| SLM | sound level meter |
| ToR | terms of reference |
| tph | tonnes per hour |
| TSF | tailings storage facility |
| WRD | waste rock dump |

1 INTRODUCTION

Environmental Compliance Consultancy (ECC) has been contracted by QKR Navachab Gold Mine (Navachab) to update the consolidated operational environmental management plan (OEMP) for activities on mining licence (ML) 31, ML 180, the accessory works area in ML 31, exclusive prospecting licence (EPL) 999 and EPL 3275.

Navachab is located near the town of Karibib in Namibia. Karibib is situated approximately 170 km northwest of Windhoek, the capital of Namibia (**Error! Reference source not found.**). Navachab, mainly an open pit mining operation, started production in 1989. The mine was wholly owned by AngloGold Ashanti Namibia up to 30 June 2014 when shareholding was transferred to QKR and Epangelo Mining. Underground mining activities commenced in the main pit in 2021.

In December 2022 the Ministry of Environment, Forestry and Tourism approved the consolidation of existing environmental clearance certificates (ECC) for ML 31 and the accessory works area in 31 as a standalone ECC for ML 31. This OEMP as revision 1 was in support of that application.

1.1 NAVACHAB GOLD MINE

Navachab has two active EPLs, whereby active fieldwork in the form of soil sampling, geophysical sampling and drilling activities are conducted on a regular basis. Navachab is mined as a conventional open pit mine with the current Carbon-In-Pulp (CIP) plant having a production capacity of 160,000 tonnes per month (tpm). The production capacity from this plant will be increased to 250 000 tpm during the ramp up to a production level of 3 million tonnes per annum. Underground test mining has begun, designed to access high-grade ore. The geology and mineralisation of the underground ore is similar to the existing mine which will be processed after blending with run-of-pit ore. Test results to date are encouraging.

Navachab is developing an environmental and social impact assessment (ESIA) for the third tailing storage facility (TSF 3), establishment of an additional raw water storage dam and expansion of co-disposal facilities to active waste rock dumps, that falls under the ECC for ML 31. ECC has compiled this operational environmental management plan in terms of the Environmental Management Act (EMA), No.7 of 2007 and its regulations of 2012 to support the amendment application.

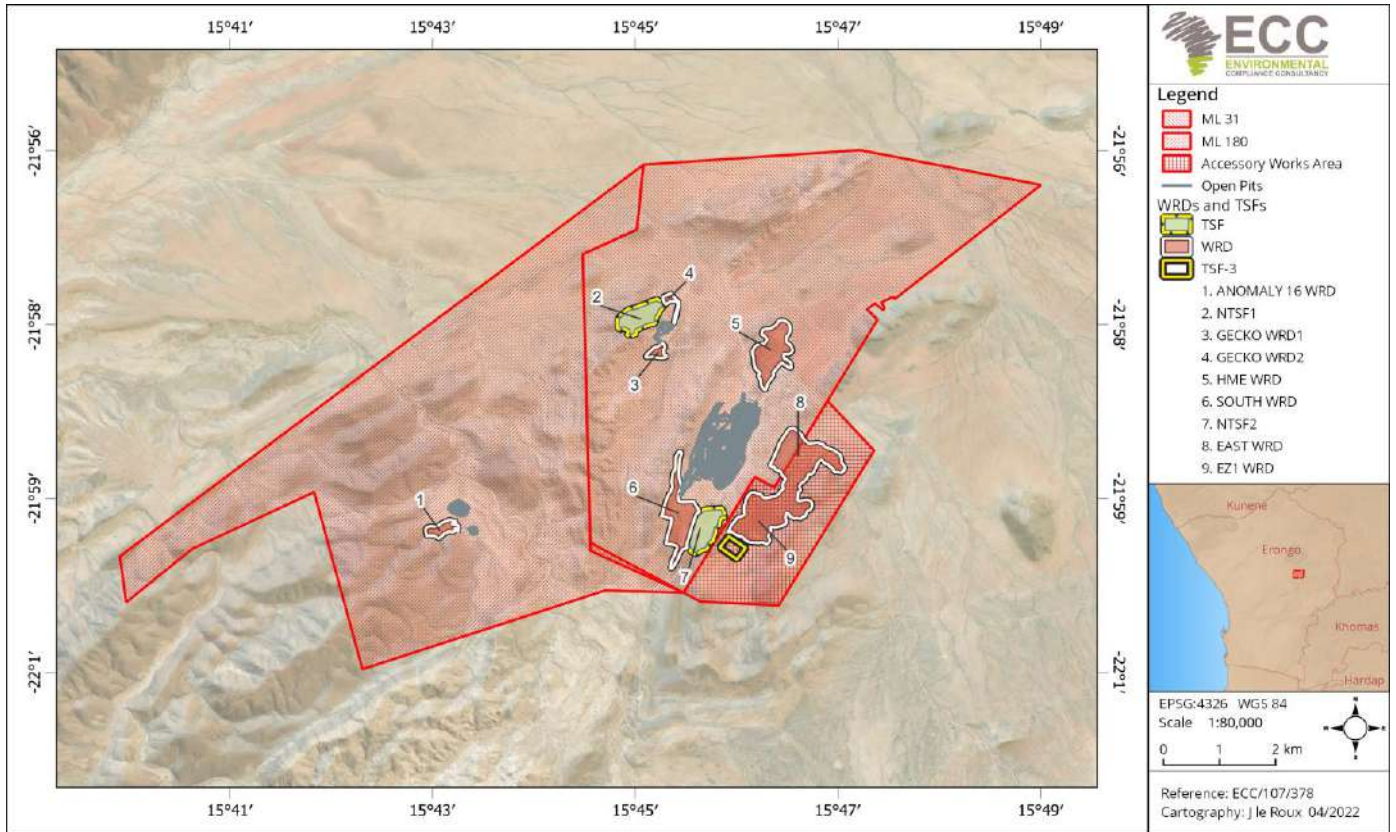


Figure 1 - Navachab tailings and mine waste areas within mining licences and AWA

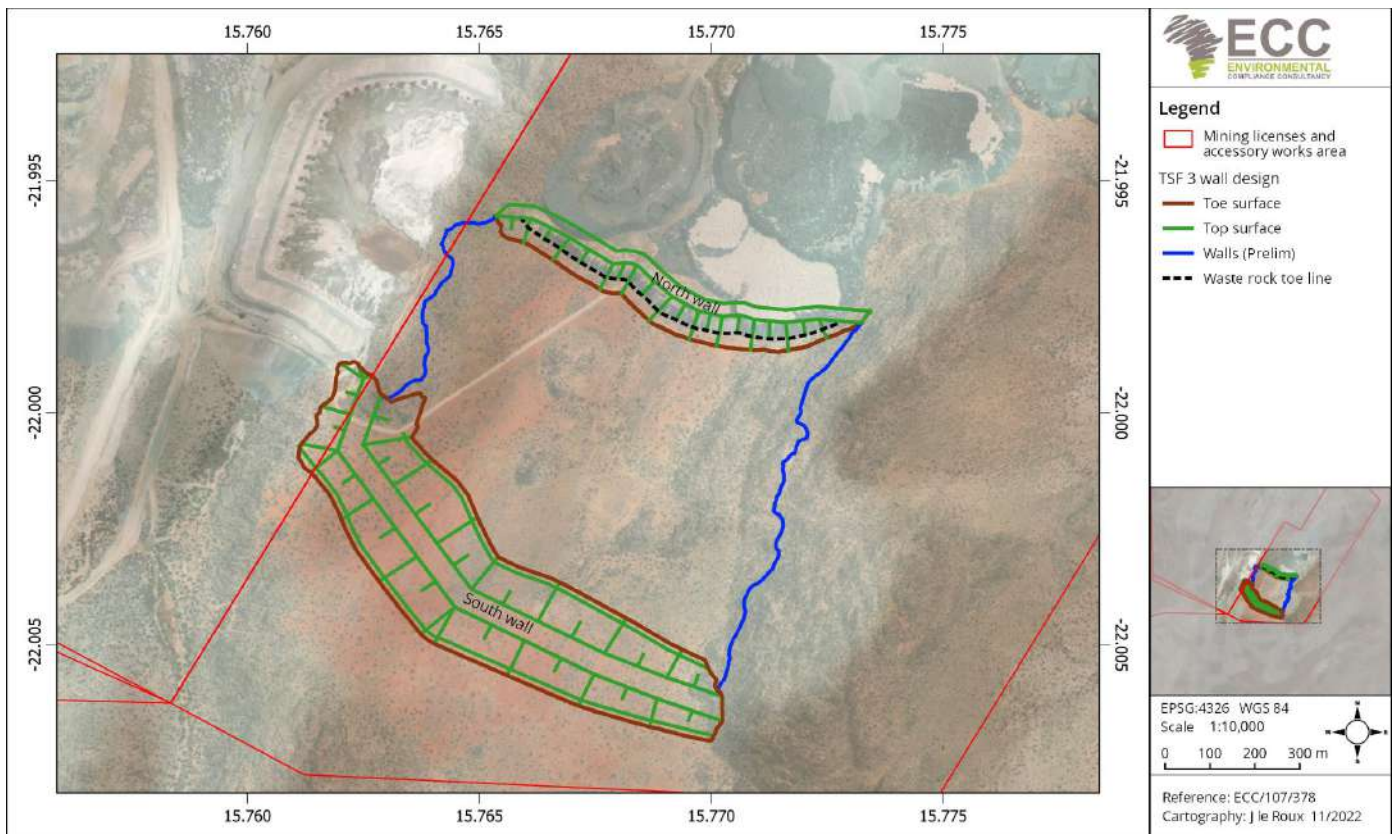


Figure 2 - TSF 3 northern and southern wall

Figure 4 - Ground and surface water quality monitoring locations

1.4 AIR QUALITY MONITORING

Air quality monitoring is conducted in locations downwind of Project activities and near se

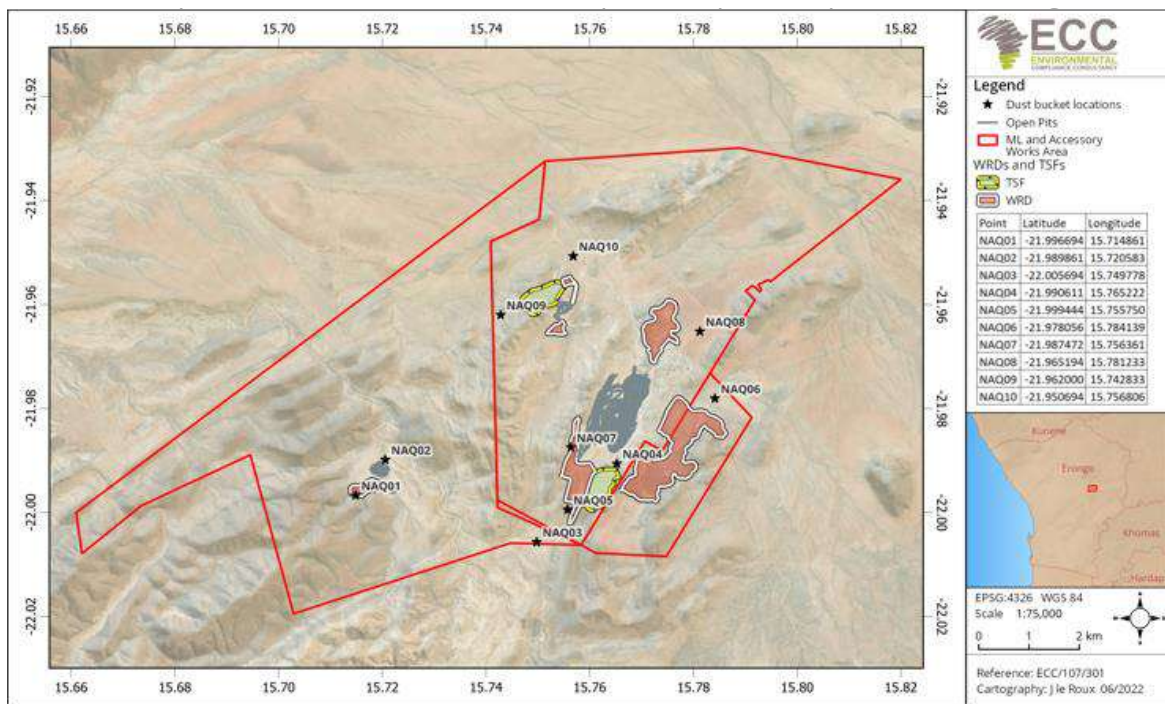


Figure 5 - Air quality monitoring locations

1.5 NOISE MONITORING

Noise and vibration monitoring is conducted on a monthly basis, at pre-determined third-party locations in close vicinity to mining operations. Ground vibrations measured should be less than 12 mm/s peak particle velocity. Air blasts measured should be less than 130 dB. The equipment used for this monitoring must be calibrated on an annual basis as per ISO 14001 standards. Locations and structures in and around the mine can also be monitored, however the velocity and sound measurements will differ dependent on the distance from blasting operations. Noise and vibration monitoring results are reported on a monthly basis internally and be included in the bi-annual environmental performance report to MEFT.

DOMAIN TSF 3 ANNEX – PART OF DOMAIN 5 - TAILINGS

The schedule includes all infrastructure and activities within the operational control of the domain outlined and mapped below:

- Nearby access roads;
- North and south embankments and related landforms;
- Power;
- Barge and pumps;
- Tailings pipeline and spigots and any cyclones that might be in use;
- Reclaim water pipeline;
- Fencing; and
- Monitoring and survey equipment.

The mill department is responsible for:

- Design, approval, construction, operation, maintenance, surveillance (OMS) of TSF 3

The environmental department and mine surveyors are responsible respective monitoring.

Table 1 – Domain 3: Co-disposal facility and waste rock dump domain schedule

| Domain 5 – Tailings – TSF 3 Annex to Domain 5 | | | |
|---|---|--|---------|
| Environmental risk of domain | Consequence | Likelihood | Risk |
| | Major 4 | Possible 3 | Major 9 |
| Domain manager | Mill Manager | | |
| Statutory requirements | Permit / Permit name | Environmental permit conditions | |
| | In the event that new tailings storage facility needs to be established: Where practical and required obtained a land clearing permit from the Ministry of Agriculture, Water and Forestry (MAWF) (Only valid for 3 months therefore must be applied for in advance of clearing works) | Stipulated on permit. General conditions may include; Number of protected trees to be removed, area cleared and surveyed, photos and use of resources cleared e.g. rehabilitation | |
| Potential issues or impacts | Water | | |
| | <ul style="list-style-type: none"> - Potential for water contamination (cumulative) with a third TSF (acid rock drainage, CN, sulphate) <p>Biodiversity and ecological function (services, such as soil/ecosystem)</p> <ul style="list-style-type: none"> - Excessive clearing of vegetation for footprint and Loss of habitat - Barrier to wildlife movement - Potential for (cumulative) impacts to soils/ecosystems/habitat, flora, fauna due from construction an operation of a third TSF - Infrastructure and water resource impact from (multiple) embankment failure(s) due to earthquake or unusually high pore pressure; affecting farm infrastructure and AN16 to the southwest. | | |

| Domain 5 – Tailings – TSF 3 Annex to Domain 5 | | | |
|---|--|---------------------------------|------------------------------|
| | <p>Air Quality</p> <ul style="list-style-type: none"> - Dust generated from tailings - Dust generated heavy equipment during construction and maintenance <p>Social</p> <ul style="list-style-type: none"> - Nuisance noise and dust | | |
| Targets | <p>Zero noise and dust complaints from neighbouring community</p> <p>Air quality monitoring reflects that the surfaces have been kept moist with a 90% compliance commitment applied to the dust thresholds</p> <p>100% prevention of groundwater contamination</p> <p>No clearing for footprint without land clearing permits where recovery of topsoil or substrate material for rehabilitation is possible (10 days notices to be given)</p> <p>Compliant/below threshold on pore water pressure, regular tailings and embankment inspections, maintenance, and audits</p> <p>TSF operated to the satisfaction of the site’s to-be-established international tailings review board as per commitment to Canadian/international standards.</p> | | |
| Operational management measures | <p>To minimise the effects the above-mentioned impacts may have on the environment and community, the domain manager will ensure the following measures are implemented:</p> <ul style="list-style-type: none"> - A robust monitoring system is in place to predict and prevent ARD. - In the event PAF is identified, the SOP for PAF is triggered and PAF material is sampled and characterised, encapsulated, surveyed, and signed off. - Land clearing permits are applied from the appointed ECO in advance. The domain manager should ensure that the Land Clearing permit process is triggered at the mine planning stage and therefore must include environmental consideration for future works, this is important in areas where recovery of topsoil or substrate material for rehabilitation is possible. - Ensure a proactive approach to weather monitoring and when high winds are predicted, ensure an operational water system (spigots/sprinklers) is deployed to prevent excess dust being generated off the surface of the tailings. - Implement measures to reduce noise from the facility (construction and maintenance heavy equipment) if monitoring/community feedback detects noise breaches (especially at night). - Monitor pore water pressure and regular tailings and embankment monitoring, maintenance, inspection and audits - Oversight by the site’s to-be-established international tailings review board as per commitment to Canadian/international standards. - Ensure the closure plan includes provisions for rehabilitation and that the schedule is adhered to prevent visual impacts from unrehabilitated areas. | | |
| Environmental pollution | PCM risk score | Function and performance | Maintenance frequency |

| Domain 5 – Tailings – TSF 3 Annex to Domain 5 | | | | | |
|--|---|---|---|-------------------------------|------------------------------------|
| control measures (PCM) | Water cart Moderate 8 | | Water surfaces to prevent dust | As per PMS | |
| | ARD SOP Moderate 8 | | Monitor tailings for potentially acid forming material | Reviewed annually | |
| Environment monitoring | Water Quality | | | | |
| | Site code | Name | Monitoring purpose | Frequency | Threshold |
| | Acid rock drainage (ARD) | ARD monitoring | Visual monitoring around TSF after rains -signs of ARD | Within 24 – 48 hours rainfall | @ field pH <5 sample to laboratory |
| | Water | Surface ground water sampling | Impacts of TSF 3 on water quality in the area | Within 24 – 48 hours rainfall | OEMP |
| | | | Impacts on surface/ground water quality | | |
| | | Monitoring boreholes | Impacts on ground water quality | OEMP | |
| | Air Quality | | | | |
| | Site code | Name | Monitoring purpose | Frequency | Threshold |
| | Depositional dust | NAQ 03, 04, 05, 06 | Impacts of dust from tailings on workers/farms/ community | Monthly | 600 mg/m ² /day |
| | Environmental reporting | Domain manager to report to appointed ECO (monthly) | | | |
| <ul style="list-style-type: none"> - Volume of PAF tailings identified and survey locations if applicable. - High releases of CN to tailings. - High sulphate seepages from TSF 3 (similar to TSF 2). - Any areas that required vegetation removal for the month ahead. Appointed ECO to report to domain manager <ul style="list-style-type: none"> - Notify domain manager in advance when high winds are predicted (daily). - Notify domain manager if contamination from TSF 3 detected (as per OEMP). | | | | | |
| Environmental inspection/s | Daily | Weekly | Monthly | Other | |
| | On shift mill supervisor | Domain manager completes weekly domain inspection | Domain manager and appointed ECO to complete | Bi-annual compliance audit | |
| Supporting documents | Source: OEMP <ul style="list-style-type: none"> - Inspection form, - Domain sign off, and | | | | |

| Domain 5 - Tailings - TSF 3 Annexes to Domain 5 | |
|--|-------------------------|
| | - Land clearing permit. |